

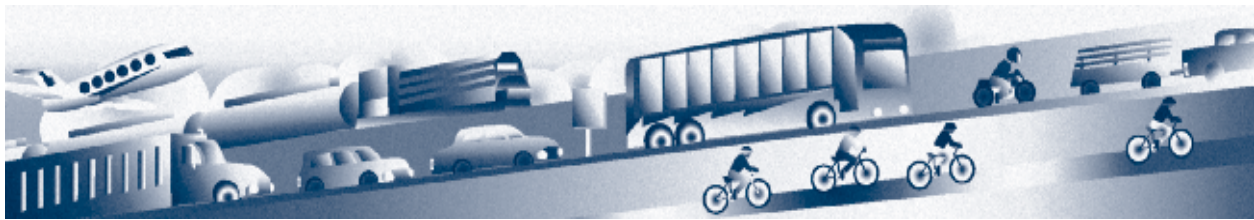


FORUM ON TRANSPORTATION INVESTMENT

1ST MEETING

ORGANIZATION AND OBJECTIVES

SEPTEMBER 27, 2004



FORUM ON TRANSPORTATION INVESTMENT

ORGANIZATION AND OBJECTIVES

MINUTES

[agenda 0927004.doc](#)

September 27, 2004 – 10:30 AM to 4:00 PM

Joe R. Williams Building (Hall of Mirrors)

700 W. State, Boise, Idaho

East Conference Room

[FTI 9-27 attendees list.doc](#)

Welcome by Chuck Winder, Chairman, Idaho Transportation Board [Welcome by Chuck Winder.doc](#)

Welcome all of you for attending this kick-off meeting for a Forum on Transportation Investment. This Forum is to be a statewide process; a listening process; and a learning process for all of us. I want to thank Jim Kempton for agreeing to chair this group. Jim has a tremendous background in public service. He is retired military, and is involved with the State Legislature as a representative. He has served as the chairman of the House Transportation Committee. I also want to welcome Dwight Bower and Tom Warne, who are the consultants involved with this process. I would also like to introduce John Horsley, the Executive Director of AASHTO from Washington, D.C. He will speak to us in a few minutes about Federal Transportation issues.

Dwight Bower, H. W. Lochner, Sr. Vice President, Meeting Moderator/Forum Consultant
[Welcome by Dwight Bower.doc](#)

I am Dwight Bower, currently Sr. Vice President for H. W. Lochner, Inc., with corporate headquarters out of Chicago. Our team that is going to assist you with this endeavor will be myself, Tom Warne, currently President of Tom Warne Associates, LLC, in Salt Lake City, and ex-Director of the Utah DOT, and Susan Bale, who will be assisting with meeting supplies and coordination. I would now like Tom Warne to review the Forum Charter and Goals and discuss “What the Forum is Going to Do?”

Tom Warne, President of Tom Warne & Associates, LLC, Forum Consultant
[Welcome by Tom Warne.doc](#)

Thank you Dwight. We have just come from a press conference at ITD headquarters that kicked off this undertaking. The press conference certainly highlights the interest in Transportation and the many changes and challenges that are being faced by the transportation industry. This Forum on Transportation Investment certainly is timely and many important transportation-related issues will be discussed in the next year.

Tom then reviewed the Forum’s Charter and the Goals and Objectives. [FTI Charter 091404.doc](#) and [FTI Meeting Goals and Objectives.doc](#) He discussed the proposed purpose of the forum – ‘To 1) examine, document, and assess Idaho’s multi-modal transportation needs through 2030; 2) determine critical needs, 3) examine current and additional transportation finance tools for current and future viability, 4) overlay needs with possible funding scenarios, and 5) assess Idaho’s ability to meet its mobility requirements into the future, with recommended actions and policies to achieve a future transportation vision. The upcoming 18-month meeting schedule and objectives were also reviewed.

Dwight thanked Tom for being part of our team and noted his professional accomplishments including previous Executive Director of Utah’s DOT, Deputy Director, Chief Operating Officer of the Arizona DOT, and other transportation-related positions with AASHTO, WASHTO, and TRB.

Dwight Bower, H. W. Lochner, Sr. Vice President, Meeting Moderator/Forum Consultant

Dwight introduced John Horsley. He noted that John is Executive Director of AASHTO and previously served as Associate Deputy Secretary at the U. S. Department of Transportation. John is from the northwest where he was elected to 5 terms as County Commissioner of Kitsap County in Washington State. Additionally, John is a Harvard graduate and was a Peace Corp volunteer. (Dwight's daughter is also a volunteer, so he feels a strong bond with John.)

Dwight asked John to speak as to where he sees the nation moving in the next 20-30 years, or even in the next few minutes with the reauthorization bill. Dwight noted how these future changes and influences can set the framework for our upcoming work and how this prospective fits together with other topics.

John Horsley, Executive Director of the American Association of State Highway and Transportation Officials (AASHTO) -- Where is Transportation Moving? [John Horsley Speech.doc](#)

The # 1 goal of AASHTO's strategic plan is to "Re-establish Transportation as a National Priority." It has been over a year that the reauthorization bill has been on hold. Somehow Transportation has faded on the national agenda. During the 70s and 80s, the interstate system was the national funding priority. Throughout the country there was a strong consensus that there needed to be a world class interstate system augmented with a good arterial system to establish a basic, functional transportation infrastructure. Since then, we have seen a whole series of challenges come along (multi-modal, environmental, funding, etc.) and the consensus has broken down. So AASHTO has identified that we must re-establish transportation as a national priority and re-establish funding at levels that are needed. What you are doing through this forum is exactly the grassroots re-engagement that we think will have to take place to get people focused on transportation. We are going to have to inform our constituents of how very important a good, functional transportation system is.

Let me describe some of the trends that we are seeing at the national level. . Idaho and the mountain west is the fastest growing region in the country. Idaho ranks 5th fastest growing state in the U. S. Boise ranks as the 7th fastest growing metropolitan area. The U. S. population is expected to grow by another 120 million over the next 40 years. Additionally, much of our growth is from in-migration from Hispanics, Asians, and every other corner of the earth.

Secondly, the transportation demand is growing at an even faster rate. While population increased 55%, highway travel grew by 300%. Trucking volumes doubled in the last 20 years and are expected to double again over the next 20 years. Unfortunately, it is no wonder congestion is so bad; highway capacity has increased only 5% in the same period. Idaho is poised for tremendous growth **and** congestion.

Another dynamic taking place is that we are in a global economy. International trade's GDP was at 13% in 1990 and increased to 24% in 2000 and is expected to increase to 35% by 2020. Whether that freight is moved by truck, rail, or the Columbia and Snake River inland barge, it takes money and capacity to do the job. The inland waters system and the rails are struggling. We haven't had an adequate level of investment in the locks, and the railroads can't generate enough revenue to rejuvenate their systems. If those folks can't move their share of freight, then by default the freight moves to the highway systems. And we all know that the system is already meeting critical overload criteria in some areas. We need a balanced system with healthy railroads and barges and an adequate highway system.

AASHTO's Bottom Line Report analysis showed that just to maintain our highway system nationwide in its current condition, we need to increase capital spending from \$64 billion to \$92 billion annually. And to improve the system, we need to invest \$125 billion each year. A similar analysis for transit shows that we need to be investing \$19 billion annually up from \$10 billion and to improve it we need to increase capital investment to \$44 billion. What we see is an increasing public demand for fully-functional transit systems, especially in the metropolitan areas. As the elderly retire in place (the over 65 population will double), Idaho will face an increasing rural demand for van service. The funding source decisions for transit will become a much larger issue as this century progresses.

But let's get back to the basic task Idaho transportation people address every day. PRESERVATION IS JOB 1. But what is happening is that these systems are now coming to a time when they must be re-built. The loads of modern trucks are greater than the roads were designed for. Much of the system (both state highways and local arterials) now require expansion and structural reinforcement. The current core resources are being used to preserve our system, not improve or expand. Additionally, the safety of the system will require even greater efforts to meet future projected needs.

When you look at the projections for Idaho, many people ask how we can get from here to our future. What many are recognizing is that our methods of travel should change – alternative fuels, light rail, transit in numerous forms, etc. But this causes shifts in revenue and also funding to target appropriate modes to meet people's needs. Although raising taxes is not a popular option, let me share some other states solutions as they have analyzed their growing needs. Indiana raised its gas tax 3¢, Ohio 6¢, and Washington 5¢. The average gas tax is 25.3¢, Idaho's is 25¢. Oregon recognized a bridge crisis and their legislature approved a \$2.9 billion program, with \$1.7 to bridges. They approved \$2.1 billion of this program with bonding authority supported by an increase in registration fees. Texas's legislature passed tolls, which realistically require large population and traffic volumes to be viable. Arkansas is using GARVEE bonding to rebuild its interstate system in 5 years rather than 15, and through accelerated construction bonding, South Carolina has a 7 year building program that would have taken 27 years to complete.

Let me wrap up with three (3) trends that will affect us nationally and in Idaho. 1) Job outsourcing is real and is a threat to our core economy. 2) The trend is to a high-tech information services economy that requires skilled employees. 3) Hybrid vehicles/alternative fuels and the timing of how these issues will affect transportation and erode fuel tax revenue.

Dwight Bower, H. W. Lochner, Meeting Moderator/Forum Consultant

Thank you John; your speech was very enlightening. Many of the subjects that you touched on will be part of our upcoming meeting objectives – funding sources, revenue generation, transportation infrastructure needs, etc.

LUNCH

Dwight Bower, H. W. Lochner, Meeting Moderator/Forum Consultant

Is everyone ready? I would now like to introduce John Luthy. [jluthybio2004.doc](#)

John has a tremendous amount of experience dealing with strategic planning, organizational structure, and future predictions. Today we asked John to speak about what he sees in Idaho's future and specifically as it relates to demographics. The demographic information is very valuable if we are going to understand how population growth will impact our transportation infrastructure.

John Luthy, President, The Futures Corp. [John Luthy slides & questions.doc](#)

Forums are convened to establish a 'think tank' of experienced people. A forum is also a good method to stretch our thoughts and to look over the horizon to our future.

World population will reach 9 billion by 2050. India's population will be more than China. Many poor nations are predicted to grow in population up to 135%. Idaho's population is predicted to have 56% growth by 2030 because we are a great place to live.

Unfortunately, Idaho's topographic limitations cause Idaho's population to be compressed into key geographic areas. Our river bottoms and mountain ranges, limit where most people will live. The Spokane/Coeur d' Alene area will see phenomenal growth. Population will double by 2010, with another 50% by 2030. West Central counties (Canyon, Payette, Gem, and Washington) may experience even more growth if current population shifts continue. The population of Blaine County will remain compressed into narrow land areas that will have inflated costs. Many factors can affect the final number, but major growth should be expected in the near future.

Additionally, our industry/economy (high-tech, service, tourism, timber and agriculture) will support an influx of in-migration. Idaho also is a "bridge state," so some of our transportation problems are driven by the need to cross through. Every time we improve up north, we make Canadian growth easier -- good roads assist Canadian exports to move to market.

Another problem that will impact Western population growth is water. Water is finite and it will get scarce. Major climatic shifts can occur in ten years.

Logistics in transportation is key to import/export competitiveness; and transportation planning will have to address this issue. Transportation systems are going to have to be allied with producers to define the smartest way to match their needs.

Today and in the months ahead, you are a thinking citizen of our great state and are challenged to leave the best possible legacy for those who follow. Here are some other transportation investment considerations to pursue:

- ☐ What will the nature of traffic be in 2020? 2030?
- ☐ Long-haul truck size will continue to increase, while passenger vehicle size is predicted to decrease. How will combined effects of larger transport trucks and smaller cars be factored into the planning and funding equation?
- ☐ Alternate fuels will become very prominent within ten years. As gasoline is used less (due to elective migration to other fuels or shortages) and new alternatives are found, how will road maintenance be funded?
- ☐ Idaho has a great system that links metropolitan areas within a very rural state. Will this thinking and application of funds evolve as the population grows and more urbanization occurs? What type of collaboration will be necessary? Will funding mechanisms evolve?
- ☐ Urban metro areas are quickly becoming magnets for commuting workers. Commuter demand is predicted to intensify and grow significantly in specific areas. Due to economic realities related to business growth options in Idaho communities, should roadway funding be tied to predicted or desired economic development? How can it be?
- ☐ Land use planning will grow much more interrelated with transportation planning. How will economic development planning, land use planning, and transportation planning be integrated? Are there existing mechanisms or must they be created? Who leads this effort?
- ☐ With several billion dollars needing to be invested in Idaho's transportation infrastructure, how should the state plan for such long-term – and very predictable – funding requirements? What mechanisms can we put in place and what actions must be taken?
- ☐ What criteria might be used for establishing project and funding priorities? Think multi-modal, light rail, highway and roadway, and public transit...

Dwight Bower, H. W. Lochner, Meeting Moderator/Forum Consultant

Thank you, John, for your very enlightening and thought-provoking information. I am sure we will want to keep your questions in our mind as we move through this forum process.

BREAK

Dwight Bower, H. W. Lochner, Meeting Moderator/Forum Consultant

Summary of the Policy Contact Meeting [Minutes-Policy Contact.doc](#)

- Meeting times and locations were reviewed. Future meetings will be held in hotel facilities that have parking and catering available. Boise meetings will be 9 AM to 4 PM; other meetings will be 10 AM to 4 PM.
- Minutes, updates, and other information can be sent electronically, when possible. Meeting specific information should be sent out at least 10 days prior.
- Membership list will be open to additional members as needed.
- Mayor Tom Dale agreed to be the Vice Chair.
- The forum should look at the full spectrum of possibilities and then mold a set of recommendations. The group will want to assess innovative methods; information about the seriousness of our deteriorating transportation infrastructure; and the need for improvements and restructure.
- Several members volunteered to supply reports or speak to various subjects that they are involved with.

Tom Warne, President of Tom Warne & Associates, LLC, Forum Consultant

Summary of the Professional Contact Meeting [Minutes-Professional Contact.doc](#)

- Forum is a “work in progress” and outcomes will continue to be assessed throughout the process.
- Additional members will be added.

- The election of Chair and Vice Chair were put on hold; David Ekern was asked to be the “convener.” David Ekern will set a date the first week of January, set an agenda, and distribute materials to be discussed.
- Concerns were expressed about the charter and meeting goals and objectives. Tom Warne agreed to revise them to reflect no preconceived outcomes.
- Group agreed that documents can be e-mailed to the members, when appropriate; minutes can be shortened to contain major topics; and conference calling could be used instead holding a meeting.
- The first 5 forum meetings are planned to be data gathering and analysis sessions, the last 2 meetings will be crafting the recommendations.
- The group reviewed possible information that should be considered at the various meetings; several members volunteered to provide information.

MEETING ADJOURNED